DSMC Hosts Seventh PEO/SYSCOM Commanders Conference

"One Person Can Make a Difference"

DR. DANNY L. REED

"...Innovative program managers can have an impact on successful programs — one person can make a difference."

—Dr. Jacques S. Gansler
Under Secretary of Defense
(Acquisition & Technology

KEYNOTE SPEAKER — UNDER SECRETARY OF DEFENSE (ACQUISITION & TECHNOLOGY), DR. JACQUES S. GANSLER.

Those few, succinct words set the tone for the Seventh PEO/SYSCOM Commanders Conference, held at the Defense Systems Management College (DSMC), Fort Belvoir, Va., April 14-15. A biannual event sponsored by the Defense Systems Affordability Council, the theme chosen for the spring conference was "Reform — The Way Ahead."

Off to a Good Start

Retired Air Force Lt. Gen. Tom Ferguson delivered the opening and administrative remarks, followed by Navy Rear Adm. "Lenn" Vincent, DSMC Commandant, who welcomed the conferees. Joseph Eash, the Principal Deputy Under Secretary of Defense (Acquisition and Technology), introduced the keynote speaker, Under Secretary of Defense (Acquisition & Technology), Dr. Jacques S. Gansler.

Gansler told the conferees that after five months on-the-job, he is more convinced than ever that the three main challenges for the Acquisition Workforce remain: 1) modernization of existing equipment; 2) development and deployment of new systems required for the 21st century warfighter; and 3) supporting those systems efficiently and effectively.

Acquisition's job, according to Gansler, is to lead and implement innovative changes, lower costs noticeably, and create faster cycle times. He noted that the Acquisition Workforce is unequivocally committed to reduction of cycle times by at least 25 percent.

Speaking of the shift in DoD's defense strategy since the end of the Cold War, he told the conferees that DoD's current defense strategy against asymmetric threats must anticipate nuclear, biological, and chemical weapons; information warfare; and low-cost cruise and ballistic missiles. "We must counter," said Gansler, "by providing warfighters with superior information and weapons." He noted that unlike the last decade's deferred modernization program, funds that previously supported infrastructure have now, because of base closings, been shifted to help pay for today's modernization.

New acquisition business practices and processes for government and industry, such as the Single Process Initiative, are reducing costs. A former industry leader, Gansler has the advantage of both a government and industry perspective on the challenges of Acquisition Reform. For example, high-volume commercial items, he told the conferees, when co-produced with lower-

Reed is a member of the Research Staff, Institute for Defense Analyses.

Photos by Richard Mattox

volume defense items, can result in 50 percent less cost.

He also said that cost accounting barriers must be removed. One way of reducing costs is through competitive sourcing; yet, he notes that some companies, like Hewlett-Packard, no longer perform DoD contracting. Gansler attributes this to historically burdensome government acquisition processes and procedures imposed by DoD on many of its contractors.

Said Gansler, "Logistics must be modernized." Citing a specific example, he referred to parts destined for the Persian Gulf that took DoD 40 to 60 days to deliver. Identical parts delivered for non-military Caterpillar customers are delivered worldwide within four days — or the customer simply does not pay. "On an order of magnitude," he pointed out, "[Caterpillar's delivery time] indicates a far better performance."

In the private sector, restructuring has been largely successful due to industry's focus on core business. DoD, he contended, must also rely on private sector sources to reduce cost for maximum value. Government cost accounting concentrates on accounting for every hour and providing a complete audit trail; private sector accounting practices concentrate on lowering price.

Science & Technology (S&T) Transition

Following Gansler's keynote address, Dr. Lance Davis, Acting Director of Defense Research and Engineering, gave the first presentation of Day 1. Speaking on the topic of "S&T Transition," he began his discussion by referencing the *Joint Vision 2010* model, and how military superiority, for the 21st century warfighter, will be enabled by *technological* superiority.

There can be no technological superiority, according to Dr. Davis, without investment sustainment in S&T. Currently, most DoD science and technology funds go to industry, though the bulk of the 6.1 basic research money goes to universities. Citing recent statistics, Davis

Deputy Under Secretary of Defense (Acquisition Reform), Stan Soloway.

From left: Assistant DUSD (Systems Acquisition), Donna Richbourg; Principal Deputy to the DUSD(AR), Joseph J. Eash; John Taylor, Minister of Defence Materiel, British embassy; DUSD (International & Commercial Programs), "Page" Hoeper; DUSD(AR), Stan Soloway.

Navy Rear Adm. "Lenn" Vincent, DSMC Commandant.

noted that while DoD provides only 9 percent of total basic research funding, the DoD is responsible for 55 percent of all federal government engineering research funding, and about 65 percent of electrical engineering funding.

"S&T investment sustainment," said Davis, "is absolutely vital. Further, a mix of technologies — in the F-117 and Comanche systems, for instance — ends up leading to break-through technologies for the warfighter." Davis pointed out that F-117 stealth is not a single technology, but a combination of research into fly-by-wire, radar cross-section, fluid dynamics, Forward Looking InfraRed, target trackers, and laser designators.

"Sometimes it takes multiple transitions of technology into a single system in order for you to recognize that important transitions have occurred," Dr. Davis said. He also pointed out that, regrettably, in the S&T community, best practices for getting technologies ready to transition to the program manager are often recognized, but not always used. However, the S&T community is continuing to work on issues of educating their managers to recognize the value of Integrated Product and Process Development training and the use of Integrated Product Teams (IPT).

COSSI

Acting Assistant Deputy Under Secretary of Defense for Dual Use and Commercial Programs, Robert Hertzfeld; and Marine Col. Robert Forrester, Program Manager for H-53 and Executive Helicopters, spoke on an Acquisition Reform initiative that has received a lot of attention in recent months: "Commercial Operations and Support Savings Initiative — COSSI."

Hertzfeld noted the trend toward increased reliance on more commercial products to lower life-cycle costs, using Commercial Off-the-Shelf Technology (COTS) or near-COTS products. COSSI experience to date, he said, includes close to 50-percent cost sharing, as well as $3 billion in potential cost savings for an investment of $100 million. Future plans include a $100 million budget request for fiscal year 1999.

Following Hertzfeld's discussion, Forrester spoke on COSSI from a program manager's perspective. Said Forrester, "COSSI is much more than just an opportunity to support programs with other people's money."

New rotorcraft diagnostics developed by B.F. Goodrich, he noted, now provide information directly to the user on the flightline, not lab-coated technicians. In essence, the new rotorcraft diagnostics, according to Forrester, are "providing interface with automated maintenance programs — programs that provide real-time information, not data."

COSSI, he added, cuts turnaround time, encourages partnering with the commercial sector, and creates IPTs with industry and government team members. It also prolongs the life of H-53 and H-60 legacy systems, is transportable, scalable, and reduces cycle time.

Art Money, Senior Civilian Official for the Office of the Assistant Secretary of Defense (C^3I).

Global Combat Support System — Acquisition Perspective

Air Force Brig. Gen. Gary Salisbury, Deputy Director for Engineering and Interoperability, Defense Information Systems Agency; and Marine Col. Phillip Yff, Chief, Logistics Information Systems Division, J-4, presented "Global Combat Support System — Acquisition Perspective."

Discussing the transition from stovepipe to integrated information, Salisbury said that the Global Combat Support System (GCSS) will improve warfighter efficiency and combat effectiveness. "Transition from the Global Command and Control System (GCCS) to GCSS," said Salisbury, "will provide combat support information from Joint Chiefs down to individual warfighters."

Following Salisbury's remarks, Yff noted that Windows™ was developed in the '80s, but was not popular until about 1991, when developers began using it as a Common Operating Environment (COE). The GCSS conceptual approach, according to Yff, uses the Defense Information Systems Agency (DISA) Web Site as a COE. It takes functional areas and moves them back and forth to get a cross-benefit increase. Said Yff, "If developers comply with COE standards, product can be integrated, instead of stove-piped, by extraction of valuable information and data exchange."

Citing a success story about Automatic Identification Technology (AIT) used in the Gulf, Yff said, "This AIT technology merged government and commercial information (like Federal Express). A business process server enables AIT and non-AIT data to be separated." He notes that the technology has already been inserted in legacy systems that never envisioned AIT. "If a program manager adheres to a COE," Yff stated, "life-cycle costs go down."

FAR Part 15/Past Performance

LeAntha Sumpter, Senior Acquisition Reform Specialist, Office of the Deputy

Under Secretary of Defense (Acquisition Reform), spoke on "FAR Part 15/Past Performance."

Highlighting recent changes in FAR Part 15, she focused on the following issues:

- Past performance should be addressed during a source selection, even when award without discussions is planned.
- The paradigm associated with determining a competitive range has been changed from "when in doubt, leave them in" to "when in doubt, leave them out."
- A competitive range determination can be reduced for efficiency by the contracting officer.
- Competitive discussions and the number of revisions can now be tailored to each offeror's proposal.
- The conferees should "be creative" on past performance information and substitute information regarding predecessor companies.

International Cooperation

"Page" Hoeper, Deputy Under Secretary of Defense (International and Commercial Programs) focused his remarks on "International Cooperation."

Hoeper stressed the military, economic, and political goals of armaments cooperation. He also warned about some pitfalls from the failure to cooperate. "One of the things that over-capacity can get you to is a trade war in armaments, where more and more capability is sold to increasingly undesirable parts of the world, at lower and lower prices," Hoeper said.

Overall, Hoeper felt that we are doing a good job of cooperation at the technology end of the spectrum. But, we need to continue to press for increased cooperation on major defense systems.

The British Smart Procurement Process

The luncheon speaker for Day 1 of the conference was John Taylor, Minister of Defence Materiel, British Embassy, who spoke on "The British Smart Procurement Process."

Currently, Great Britain's Defence Industry is facing post-Cold War force reductions, greatly impacting their procurement policies and practices. "Great Britain's Smart Procurement Process," said Taylor, "has a great deal in common with Acquisition Reform efforts underway here in the United States."

The British also are moving, according to Taylor, toward Acquisition Reform in several areas: open competition; value for money; no support to industry; informing industry of future programs; risk management; and "eyes on, hands off" management style.

Lean Thinking for Program Management

Following lunch on Day 1, Dr. James Womack, President, Lean Enterprise Institute, presented "Lean Thinking for Program Management."

The Lean Enterprise Institute attempts to transfer effective techniques to other companies. Dr. Womack was involved in the early MIT studies of the automotive industry that identified the strengths of Toyota's operation. The automotive industry, Womack said, was chosen for the studies because cars are similar; therefore, differences in production are clearer.

He went on to say that Toyota's production system is only part of the picture — their total business system must be scrutinized. Said Womack, "It's not about the company, but about the embodied ideas."

The fundamental difference between organizations that are lean and not lean is the difference between looking up and looking down. Western companies, he explained, tend to look up at organizational charts — lean organizations like Toyota look down at the shop floor and ask, "Does each step in the process add value?"

"You have to define value," he told the conferees. "For me, that is the end user — the fellow sitting in the cockpit, the fellow driving the tank, the fellow whose life is on the line. What do they think value is? If you get that wrong, it doesn't make any difference how efficient you are. You have the wrong item for the needed use. The fact that you made it efficiently is interesting, but not relevant."

He observed that a product, like a soft drink can only takes three hours to actually produce — but total elapsed product production time, from start to finish, takes 319 days.

His recommendations, entitled the "Lean Approach to Program Management," included: a strong program manager for the life of the program (said Womack, "How many of you are Acting?"); a co-located, dedicated team for the life of the program; target costing (versus bidding); value stream mapping to identify and remove waste; simultaneous development activities; continually falling concept-to-launch times for each new generation of programs; products targeted to niche needs; and short product lives.

Single Process Initiative (SPI) Panel

Air Force Maj. Gen. Timothy Malishenko, Commander, Defense Contract Management Command, served as moderator for the first conference panel: "The Single Process Initiative." Panel members included: Army Col. Stephen Kee, Project Manager, Apache Attack Helicopter Program; James Rebel, Assistant Program Executive Officer for Systems Engineering, PEO-Tactical Aircraft; David Franke, Deputy Program Director, F-16 System Program Office; Edward Will, Director, Contracts/Pricing for Acquisition Streamlining, McDonnell Aircraft and Missiles Systems, The Boeing Company; and Army Col. Edward Cerutti, Commander, DCMC Raytheon, Burlington, Mass.

According to Malishenko, SPI was established to affect legacy programs. "In the end, it's about industry coming to the table."

Kee spoke of the current corporate culture and how it pervades SPI proposals in several areas: manufacturing, business process, future business, risk reduction, and risk transfer.

Rebel spoke on lessons learned from SPI success stories, and Franke advocated

senior leadership involvement in SPI, as well as SPI training.

"This isn't about cost-savings," according to Will. "It's about changing the culture. One of the things we found out is that there aren't as many commercial specs that are direct substitutes for Mil-Specs and Standards as we initially thought going into this.

"I think one of the most dramatic things...is that in a very short time we have revolutionized how we handle quality in the military-industrial complex," Will continued. "We went from a Mil-Spec-based environment to an ISO-based environment in very short order. That permits us, as global companies, to compete."

Cerutti told the conferees to "Design anywhere, but build in Centers of Excellence."

Life Cycle Costs — Operations & Support Focus Panel

Army Maj. Gen. David Gust, PEO, Intelligence, Electronic Warfare, and Sensors moderated the second panel of Day 1, "Life Cycle Costs — Operations & Support Focus Panel." Panel members included: Army Maj. Gen. John Michitsch, PEO for Ground Combat Support Systems; Anthony LaPlaca, Director Logistics & Readiness Center, CECOM; Jerry L. McKamey, Strategic Systems Programs, U.S. Navy; and Army Col. Jeffrey Sorenson, Program Manager for Night Vision/Reconnaissance, Surveillance, and Target Acquisition.

Gust noted that support costs are increasing with older equipment. Two-thirds of costs are now in long-term, life-cycle support. Use of a common item over multiple platforms, according to Gust, cuts costs substantially.

Michitsch spoke of the payoff for increased training. "...On some of these complex systems now, we are spending an inordinate amount of money and time repairing things that don't need to be repaired, exchanging equipment that doesn't need to be exchanged, simply because the soldiers don't have the expertise." Using Field Service Representatives, largely to increase training for the Bradley, he stated, can create $1 million per month, per location, in demonstrated savings.

LaPlaca said that an approach consisting of a multi-disciplinary combination of power management solutions created effective cost savings. Improving power sources alone, gives only a small performance increase.

McKamey gave an example of an effective COTS strategy of changing the physical location of a type of workstation to enable use of COTS, rather than changing system requirements to withstand a harsher environment than the original location would have required.

Acting Assistant Secretary of the Army (Research, Development & Acquisition), Dr. Ken Oscar.

Sorenson presented video of a comparison of a first generation night vision system, and then showed a second generation view. The second generation image was much clearer. Since it was a digital system, a specific point of interest could be magnified.

The second generation view allowed sighting of not only the armored vehicle targeted, but individual crew members moving around it. Identifying/qualifying multiple vendors (including international sources) has driven the system's price down to a fraction of the original acquisition cost.

Town Hall Meeting

Donna Richbourg, Principal Deputy to the Deputy Under Secretary of Defense (Acquisition Reform), moderated a "Town Hall Meeting with New OSD Leadership" in the evening of Day 1, at the Fort Belvoir Officers Club. Panelists included the following key acquisition executives: Dr. Jacques Gansler, USD (A&T); Art Money, Senior Civilian Official for the Office of the Assistant Secretary of Defense (Command, Control, Communications & Intelligence); and Stan Soloway, Deputy Under Secretary of Defense (Acquisition Reform).

Dr. Gansler opened the Town Hall Meeting with a status report on the approval process for his staff positions, and noted that Stan Soloway, his new DUSD(AR), was confirmed earlier that day. He also discussed the growing recognition of the needed Revolution in Business Affairs and the strong link between C^3I and weapons systems. This led directly to the introduction of Art Money, former Air Force Service Acquisition Executive, who is now leading the C^3I organization. Money talked about his new responsibilities and the organization's goals and objectives. The floor was then opened for a lively hour-long Q&A session.

Section 912 Report

Ric Sylvester, Systems Acquisition, Office of the Deputy Under Secretary of Defense (Acquisition Reform), presented "Section 912 Report" to lead off the second day of the conference. Three issues discussed included: a workforce that is smaller and in fewer organizations; a workforce focused on managing supplies, not suppliers; and a workforce focused on Total Cost of Ownership (TOC).

Premium Service

Following Sylvester's presentation, William Gookin, Senior Transportation

Specialist, Defense Logistics Agency, spoke on "Premium Service." Premium Service Facility program objectives include: tailored storage, ordering, and delivery; Service-owned, mission critical items; fastest delivery (next flight out); delivery within 24 hours for CONUS/48 hours OCONUS; door-to-door service; and facility in operation, 24 hours per day – 365 days per year.

Industry-Government Partnership Panel

Navy Rear Adm. George P. "Pete" Nanos, Director, Strategic Systems Programs moderated the "Industry-Government Partnership Panel." Panel member, Air Force Col. Ben Overall, ICBM System Program Office (SPO), began the panel presentations with "ICBM Integration and Support."

Overall said that long-term support equals stable weapon system support. He recommended a 15-year contract, as well as incentives tied to weapon system operational performance. Affirming that improved efficiency equals cost savings, Overall also said that a streamlined SPO operation equals a reduced administrative burden.

Two other panel members – Sidney Hankerson, Jr., Principal Computer Scientist, Strategic Systems Department of the Naval Surface Warfare Center, Dahlgren Division; and Michael Eagan, Director of Development Programs for FBM Tactical Hardware, General Dynamics Defense Systems – made a joint presentation on the "TRIDENT Strategic Targeting System."

Hankerson explained COTS testing for the TRIDENT System in terms of a white box-black box approach. "In a black box approach...we really don't know what is inside the product. We only know it in terms of its interface and its behavior, based upon the load we put on the system."

A white box approach also accepts the source code, allowing complete insight into the vendor's program. White box allows the government team to remove all bugs from a vendor's product.

ASN(RD&A), John Douglass (right) stops by the Simulation Based Acquisition exhibit to get a first-hand look at the "virtual trainer." Pictured from left: Will Richards; Lee Copeland; Douglass.

USD(A&T), Dr. Jacques S. Gansler, visits the Defense Acquisition Deskbook Exhibit. Pictured from left: Kathy Hennes, ODUSD(AR); Gansler; Air Force Lt. Col. Dave London, Acquisition Deskbook Project Manager; Skip Hawthorne, Senior Program Analyst, ODUSD(AR).

The 1990s' version of a "break" in conference activities.

According to Eagan, COTS implementation and IPTs increase performance and mitigate obsolescence to reduce overall life cycle costs. The team's problem set included: identification of key differences in a COTS-based solution; review of existing processes; concepts and requirements definition, design and development, processing, deployment, and support; identification of required process changes; development and documentation of new process; and providing a mechanism for feedback.

The remaining panel members, Thomas Morton, Vice President and Chief Engineer, Lockheed Martin Missiles and Space; and Edward O'Connor, Jr., Executive Director, Spaceport Florida Authority, covered "From POLARIS to Lunar Prospector and Beyond."

Morton said that, following a failure, the company embarked on a rigorous testing program. They performed 30 tests in 30 days, and cut program delays ranging from nine months to a year, down to four months. According to Morton, the following habits of total partnership prevailed: integrity; open communications; trust (solutions not blame); Win-Win interactions; commitments (made and kept); no surprises; long-term view; continuity of experienced personnel; teamwork; unique strategic nuclear weapons system responsibility; learning from mistakes; and tailored processes.

O'Conner described the partnering relationships developed to sustain Launch Complex 46 for future developmental flight test requirements while providing a cost-effective, near-term commercial space launch capability. Without SpacePort Florida, NASA would have spent an additional $15 million to launch the Lunar Prospector.

Nanos summarized government-industry partnership lessons learned for forming a successful partnership, as follows:

- Top management
  - Up-front involvement and commitment
- Clear understanding
  - Needs and competencies of both parties
- Clear agreement
  - Mutual needs, risks, costs, benefits, and goals
- Trust and integrity
  - All levels must be suitably empowered
- Contractual terms
  - Guide, reward not punish
  - Ensure accountability

Principal Deputy (Acquisition & Management), Office of the Assistant Secretary of the Air Force (Acquisition), Darleen Druyun.

- Safeguards
  - Risk management
- Communication
  - Open, trusting
  - Problem solving, not blame
- Management involvement
  - Strong, continuous, top to bottom
- Trust and integrity

C4ISR Issues and Initiatives Panel

Dr. Margaret Myers, Director, C^{3}I Acquisition Oversight, moderated "C4ISR [Command, Control, Communications, and Computers Intelligence, Surveillance, and Reconnaissance] Issues and Initiatives Panel." Panel members included: Navy Rear Adm. John Gauss, Commander, Space and Naval Warfare Systems Command; Air Force Lt. Gen. Kenneth Minihan, Director of the National Security Agency/Central Security Service; John Osterholz, Deputy Director, C4ISR Integration Support Activity; and Ronald Mutzelburg, Deputy Director of Air Warfare, Office of Strategic and Tactical Systems, OUSD(A&T).

Dr. Margaret Myers began the Panel by saying that a C4ISR Support Plan was in DoD 5000.2 and has thus been required since 1996. This Panel will answer questions like: "What is C4ISR? Why should you care? How can you get C4ISR when you need it?" Myers also said that the Panel would talk about the good and the bad of C4ISR.

Mutzelburg said that he is a warfare, not a C4ISR person. He looks at C4ISR requirements from the weapons systems or shooter point of view. "Mutz" thus saw the need for increased weapons accuracy as not only a weapons problem, but also a sensor problem. This view resulted in a mapping project that will result in increased weapons delivery accuracy without changes to the weapons systems themselves.

Gauss began his talk with a discussion of C4ISR issues: interoperability, lease versus buy (color of money), budgetary stability, Y2K, and security.

He followed this discussion with a list of C4ISR challenges: standards versus standard products, speed to market, training, integrated versus interfaced systems, information services versus network services, best commercial processes versus Competition in Contracting Act (CICA), and market capture versus market share.

Minihan opened with the following statement: "...C4ISR is not the correct battlefield organizing mechanism paradigm because it is *output-oriented* rather than *outcome-oriented*. Information superiority says that you can measure the outcome, not just the output."

Osterholz said, "If you had absolute perfect knowledge of the damage that you

caused, or didn't cause, as a result of an attack, you have the potential for saving on the order of 40 percent of the sorties that would be expended in an attack if you had no battle damage assessment."

Acquisition Workforce Personnel Demonstration Project

The Day 2 luncheon speaker, Gregory Giddens, Program Manager, Acquisition Workforce Demonstration Project, Office of the Deputy Under Secretary of Defense (Acquisition Reform), presented the "Workforce Demo Project."

According to Giddens, the proposed revamp of the Human Resources Management System currently in place for the DoD Acquisition Workforce, would involve several major changes that will ultimately enhance the way employees are hired, managed, trained, and compensated. Major issues include: changing employee compensation from GS to broadbanding; simplified classification system; implementation of a Contribution-based Compensation and Appraisal System (CCAS); hiring procedures; modification of the Priority Placement Program for acquisition positions; critical skills training; workforce shaping; and sabbaticals for non-SES employees.

Said Giddens, "...There are some things in our proposals that, if we had a magic wand, we'd do differently. We tried to do as much as we could...to push the envelope so to speak. But we don't view this as the end of our efforts; we view this as the beginning of change.

"So I encourage you, as we go through the proposed changes here to look at this not as an end product for managing personnel and managing the workforce, but the beginning of change to a new process in a new environment.

"This [workforce demo] is not the easy way out. If you're in an organization and you want to manage people the easy way, don't do the demo. We did not set this up to establish it as the easy way out. We set it up to establish the best way we could devise to manage a workforce, be fair and equitable to the employees, and allow them to be rewarded for the contribution they're making as we draw down and expect them to do more."

Giddens went on to say that one driver of whether the workforce demo is fully implemented will be the unions. There will be some local unions that will not want to participate. "In those cases," said Giddens, "we can't implement at the local level without the local union group."

SAE Panel

Since Dr. Gansler is the Defense Acquisition Executive, he moderated the final panel of the conference — the "Service Acquisition Executives Panel."

Panel participants included: Assistant Secretary of the Navy (Research, Development, and Acquisition), John Douglass; Principal Deputy (Acquisition and Management), Office of the Assistant Secretary of the Air Force (Acquisition), Darleen Druyun; Assistant Secretary of the Army (Research, Development, and Acquisition), Dr. Ken Oscar; Acting Principal Deputy Under Secretary of Defense (Acquisition and Technology), Joseph Eash.

Douglass pointed out that new tools that project life-cycle costs for new ships, can help save money. For example, fuel costs are projected at $12 to $15 billion over a new ship's lifetime. $100 million spent on engines that are 25 percent more fuel efficient is a good trade-off. He also illustrated the instability of the workforce by citing a study published only a few years ago, signed by 22 of his senior staff — 12 are now gone, and five have moved.

Druyun said that the Workforce Demo Project is "extremely important." She said that 50 percent of employees at the Aeronautical Systems Center are eligible to retire in the next five years. "...I was very disappointed that the national unions, basically, are opposing the Workforce Demo Project...we have got to draw together and find a way to work out some agreements with the unions to get them on board," she said.

Oscar talked about the transition that these PEO/SYSCOM Conferences have made over the past three years. He stated that "...During the early conferences, the leadership talked to the PEOs and PMs about new initiatives. Now, the PEOs and PMs are talking to the leadership about what is working and what is not working. There have been many changes over just a short two or three years, and the people that have made it happen are here in this room."

Eash said that "...We as managers must provide the encouragement, incentives, and opportunities for our people to make the changes that they know need to be changed to make things better." He also commented that we must measure value at the warfighter level and nowhere else.

Conference Summation and Action Items

In closing the conference, Gansler told the conferees, "I think...the Acquisition Workforce is clearly No. 1 in the world." He attributes much of the progress in Acquisition Reform to the wide acceptance and implementation of IPTs. He also said that changes were getting harder to make. Trying to retain readiness, quality of life and force structure, and on top of that now doing the modernization (which has been put off — and we do not have the money to do it), creates a real challenge.

Dr. Gansler concluded with the following as the top-priority list of things that we must continue to address: training and education of the Acquisition Workforce (clearly at the top of the list); acquisition strategy to lower ownership costs; cycle-time reduction; lower-cost weapons; logistics re-engineering; information assurance; system of systems; and civil-military integration.

And finally, "We need to figure out how to get output metrics to measure our success over the next few years. We must know if we have reduced total ownership costs by 50 percent, if we have reduced cycle times by 50 percent, if we have met our CAIV [Cost As an Independent Variable] targets...."

The Eighth PEO/SYSCOM Commanders Conference is scheduled for October 20-21, 1998. Conference presentations are available on the DSAC Web Site at **http://www.acq.osd.mil/ dsac** on the Internet.